



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

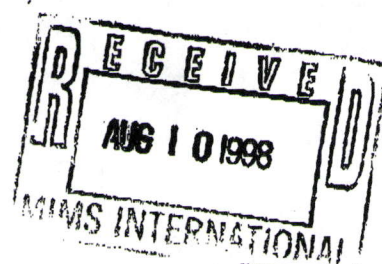
801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt  
Governor

Lowell P. Braxton  
Division Director



July 15, 1998

## CERTIFIED RETURN RECEIPT

P 074 976 652

Felicia M. Buscemi  
Insurance Company of the  
State of Pennsylvania  
70 Pine Street  
New York, New York 10270

Re: Cancellation Notice, ECDC Environmental, LC, ECDC Clay Mine, M/015062, bond  
Emery County, Utah

Dear Ms. Buscemi:

On July 2, 1998, the Division received a Direct Cancellation Notice for reclamation # 410. surety bond # ~~228001~~ in the amount of \$20,600 held on behalf of ECDC Environmental, LC 296. (ECDC). The cancellation notice stated it was effective 5/17/98; however, it was signed and sealed the 11th of June, 1998. 1500

As stated on page 2, paragraph 1 of the surety bond contract, which the surety (Insurance Company of the State of Pennsylvania) signed and dated April 30, 1993: "This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination." A copy of the contract is enclosed.

The Division did not receive 90 days advance notification that this bond was canceled, rather, we received notification approximately six weeks after your company attempted to cancel the bond. The Division does not recognize the cancellation date of 5/17/98 as stated on your notice. Rather, we will recognize your notice as the official ninety (90) day advance notification of cancellation.

8-10-98

Mr. D. Wayne Hedberg,

You are correct - Cancellation date is/was 7-2-98. My insured sold this company (principal) so I am no longer the Surety agent, therefore I will not be replacing this bond

Thank you,  
Felicia Buscemi

Page 2  
Ins. Co. of the State of PA  
July 16, 1998

We have instructed ECDC that we have received this cancellation notification and they are to immediately obtain a replacement surety. If they replace the surety prior to 90 days from July 2, 1998, we will notify your office that your surety bond can be canceled at that time.

If you have any questions regarding this letter, please contact me at (801) 538-5286, Mary Ann Wright at 538-5306, or the Division's legal counsel, Dan Moquin, at 538-5243.

Sincerely,



D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb

cc: Mary Ann Wright, DOGM  
Dan Moquin, AAG  
M015062.sur